

City of Corunna
Regular Council Meeting
Monday, October 4, 2004

Present: Johnson, Mehigh, Runyan, Sanderson, Spring, Wagner.

Absent: None.

Guests: Joe Sawyer, City Manager; Robert Gilman; Shirley Sanderson; Gary Blahnik; Bill Striggow; Al Fowler; Judy Horton; Keith & Diane Johnson; Millie Taute; Nancy Bemus; Bill Runyan, Jr.; Barbara Paine; Chief Mark Hetfield, Police Department; Judy Horton; Keith Bailey; Merilee Lawson, Assessor/Planner; Janet Washburn, Parks and Recreation Director; Ken Knauff; Larry Friess; Pat Yott; Mike O'Leary; Edith Reineke; Cathy Cope; Jack Striggow; Jeff Hetfield; Mary Dumond; Angelo Panos; Sgt. Kevin Clark, Police Department; Sharon Butcher; Chuck Butcher; Arnold Dunchock; Helen Granger, The Independent; Cheryl Warren, The Argus Press; Channel 12 News; Chief Scott Johnson, Fire Department; Jim Sanderson; Sue Sanderson; and other concerned citizens.

The meeting was called to order in the City Council Chambers by Mayor Corey at 7:00 p.m.

MINUTES OF THE PREVIOUS REGULAR MEETING: Johnson moved, Wagner seconded to accept the previous regular meeting minutes dated September 20, 2004 as presented.

Roll call vote:

Yes: Wagner, Johnson, Sanderson, Runyan, Spring, Mehigh.

No: None.

Motion CARRIED

AGENDA APPROVAL: Wagner moved, Johnson seconded to approve the agenda as presented with the addition of Item No. 11) Historical Village Parking and Item No. 12) Consider Buy/Sell Agreement with Dux Boat Company. Councilperson Sanderson asked if Item No. 2 should be changed to state the south side of East King Street because the agenda item stated the north side of East King Street. Joe Sawyer advised yes.

Roll call vote:

Yes: Spring, Runyan, Mehigh, Wagner, Johnson, Sanderson.

No: None.

Motion CARRIED

APPROVAL OF VENDOR DISBURSEMENTS: Johnson moved, Wagner seconded to approve the vendor disbursements as presented.

Roll call vote:

Yes: Runyan, Wagner, Spring, Sanderson, Mehigh, Johnson.

No: None.

Motion CARRIED

CALL TO AUDIENCE: Keith Johnson, 211 Hastings Street, stated after reading articles in the newspaper and watching the public access channel about the recent news to get rid of long-term employees and positions, it brought to mind some questions and thoughts that do not need any answers tonight. He further stated he questioned why a survey was distributed amongst the council and employees on what were deemed priority items in the community, which serves as a gauge as to what the citizenry might feel as important. Less than a handful of these employees are city residents and pay taxes here. He also stated a survey of the residents would have been a more effective way to find out what the citizenry felt the most important issues facing the city were and is not an expensive or time consuming way to find out how the citizenry feel. Mr. Johnson advised police, fire and ambulance were always the next three items of importance. He further advised the survey also mentioned that parks and recreation were a low priority. He also advised he could not understand how a budget was passed a few months ago and agreed to by the council with substantial raises given to other employees other than those jobs listed for the cuts. Now, the city is in a financial bind and it appears the finger is pointed at a couple of long-time and trusted employees like it is their fault and obligation to bring this city out of debt, but this body has to share some of that responsibility. Mr. Johnson stated if the Strawsine building has been sold then where is the monies from that being put and if it not, where is the rent monies being put. He further stated one has to remember that while growth may bring added tax base, it also brings added responsibility and costs such as police and fire protection, and water and sewer, which often takes the revenues it takes in. He also stated he feels this survey is something like taxation without representation because the citizenry have been left out. Mr. Johnson advised he would be willing to help and solicit help to submit to the citizenry of this community a survey to assess its need in priority order and return it to this body in a timely fashion. Mr. Johnson advised if the survey comes out with the same priorities as the council then democracy rules, but if not, this body as the only extension of the citizenry should change its priorities to fit the needs amongst those who elected this body to represent them.

Bill Runyan stated he got a call today from Kelly Kuechman who told him he was discontinuing his garbage pickup because of a \$500 he is being assessed by the City of Corunna, which is due on October 11. Mr. Runyan asked if this would hold true for everybody that does business within the City of Corunna that drives a truck or was this signaling out trash collectors. Mayor Corey advised one of the problems with the trash collectors per se is the size and weight of their trucks and the city is charging a fee for the heavier trucks and less for the other trucks so the city can save the streets that were just put in.

Al Fowler stated he had a question about a letter on city letterhead that the taxpayers were sent about having to trim their trees and bushes eight foot from the sidewalk or the city would trim them with the taxpayers paying for it. If this is true, but he would like to know when the city is going to start trimming their trees and bushes. Ms. Lawson advised the city has 14 days. Mr. Fowler advised the clock is running. Mayor Corey advised the city has the same time limit that everyone else has.

Nancy Bemus, 510 N. Shiawassee Street, stated her property was the one that was most abused during the bridge reconstruction. At the time of reconstruction, she felt she was very accommodating and did not ask for very much. She further stated she asked for a couple of trees to be saved for sentimental reasons and after those were ripped out she was told they would be replaced and she asked for was to make the hill into a slope so her tractor could get up the slope when she mowed because she cannot push a mower and has to hire it to be done. She also stated she was told ground cover would be put down. Ms. Lawson stated three trees have been ordered for Ms. Bemus' yard. Theresa Bush, who is chairperson of the Forestry Commission, will be contacting Ms. Bemus shortly to ask her to stake out where she wants the trees planted in her yard. Ms. Lawson further stated the nursery put off the city until October because the nursery did not want to plant the trees until then. She also stated the city recognizes the fact that there is a problem in the city's right-of-way and other areas that was created by the construction company when the area was replanted. The city has asked the construction company to fix the area because it is still not to the city's satisfaction and the company has been informed that the city would not sign off the construction until the trenches and craters were fixed in Ms. Bemus' yard. Ms. Bemus asked when her yard would be fixed. Ms. Lawson advised she would get with Mr. Crawford because this was a state project so the city has to deal with the state on this, but the trees should be planted shortly. Ms. Bemus asked what about the ground cover. Ms. Lawson advised this issue would be addressed by the Forestry Commission and their next meeting is Monday evening at 7 p.m. and she suggested to Ms. Bemus that she come to that meeting and talk to them because some money has been allocated to do some landscaping down that slope. Ms. Bemus asked why trees were planted around city hall. Ms. Lawson advised no pine trees were planted and the city was told that the best time to plant them would be in the fall. Ms. Bemus stated the dirt might not be put in until next spring and she will be stuck without a yard again next summer. Ms. Lawson suggested to Ms. Bemus that she contact Mr. Crawford because he has talked to Davis Construction several times on this issue. Ms. Bemus stated she would contact Mr. Crawford.

Bill Striggow asked if the budget was balanced when it was adopted. Mayor Corey advised yes. Mr. Striggow stated the city went ahead with the addition to the department of public works, bought a lawn mower for the cemetery, and a few weeks ago the council approved some money for a new roof on the tin shack behind the Strawsine building, but there is no money to keep the police chief and the clerk. The council will be responsible for this not the city manager because he is just making a recommendation. Mayor Corey stated there were some budget workshops coming up.

Larry Friess stated the council approved the budget two or three months ago and everything was fine then but all of a sudden he read in the paper like everyone else did about the things that could happen and asked how things could happen that quick. He further stated about three years ago when the little chunky fellow was governor everything was fine on the first of February and everyone got a 38 percent raise but at the end of the month, the state started laying people off because the state did not have any money. He also stated he did not understand how the city could go from good to bad so quick and maybe somebody could answer his question.

Barb Paine stated she would like the council to take a second look at the police chief situation. She would think if there is going to be some cuts they would be from the bottom up instead of the administrator up. She further stated the police chief's job could be restructured so he was not just an administrative chief and more of a working chief. Mark Hetfield does a good job for the community and she would like to keep him.

Jack Striggow stated he could not understand why the city is in the real estate business but cannot manage the people working for it and he thought there should be some common sense before the city does anything.

Mike O'Leary advised he was a part-time officer for the City of Corunna and does not live here but has served the community for a number of years, which he has enjoyed. He cannot believe what the city is proposing to do to a man who is one of the finest people he has ever known in his life. He further advised he has been in government for 20 years and has worked for a major municipality in Genesee County and it is just unconscionable to even suggest something like this. If the city council is going to start at the top then he would start at the very top and cut the city manager position.

Jeff Hetfield stated he just wanted something cleared up. A lot of people know that Mark Hetfield is his brother but he wanted to know if he would be done at the end of this year or if he would he finish out the budget year and be done at the end of June since it has already been budgeted because he has read that he would be done at the end of December. Mayor Corey advised there have not been any decisions made but there would be some budget workshops and the first workshop is October 13 at the Olmsted building at 3:00 p.m. and everyone is welcome.

Mr. Fowler stated he used to come to meetings a lot but does not come much anymore. About four years ago, he complained that Lisa Hitchcock made \$50,000 a year. She resigned and went somewhere else and a new guy was hired at \$45,000. Now, four years later, he makes \$62,000 plus benefits and asked how the city could afford that.

Bob Gilman asked if the city was trying to find new money in order to develop the industrial park, to come up with the funds to put water and sewer out there and cut the services to the taxpayers in the City of Corunna. Mayor Corey advised it is not.

Mary Dumond stated she had something nice to say. She is really pleased with the sidewalks that are being put in the City of Corunna because it was impossible for people to walk four blocks to the grocery store, bar or whatever without tripping over a sidewalk.

Angelo Panos stated he proudly serves this community as a police officer and from what he has read in the papers in reference to Chief Hetfield, he has come to the conclusion that this is nothing more than a constructive discharge.

Kathy Cope on E. Oliver Street stated if the city eliminates the police chief then who is going to run the department or who will oversee the officers if they stay. Mayor Corey advised the city charter requires that the city have a chief of police. Ms. Cope stated Corunna is a good town and a safe town and it is because we have a good police department and a good team of men working together and the city should keep it that way.

Jeff Hetfield asked if the charter requires a full-time or part-time police chief. Mayor Corey advised it does not say.

Councilperson Runyan asked Mr. Fowler if he got a letter from the Forestry Commission. Mr. Fowler advised no, one of his neighbors needed help trimming his trees so he went down to help him and he read his letter.

7:15 P.M. PUBLIC HEARING TO CONSIDER ADOPTION OF THE RESOLUTION

AMENDING THE DDA BOUNDARIES: Wagner moved, Johnson seconded to leave the regular session and go into a public hearing to consider adoption of the resolution amending the DDA boundaries.

Roll call vote:

Yes: Sanderson, Mehig, Johnson, Spring, Wagner, Runyan.

No: None.

Motion CARRIED Time was 7:15 p.m.

Merilee Lawson explained the DDA wants to expand its boundaries so they can use the money it captures to work on sidewalks, parking, lighting and other projects they intend to do in the future. She further explained the expansion would include the jail property and all the property to McDonnell Street up McDonnell Street to Mack Street. There is a need for joint parking in the city and the city is currently working on projects for this. She also explained the DDA wants to expand its district to encompass the property down to the park since they recognize the park as a meeting place for people and they hope to connect the downtown and the park together. The people in the expanded district will not see an increase in their property taxes. Larry Friess stated Ms. Lawson talked about parking and asked if the parking takes in all of the parking the city has now. Ms. Lawson advised yes. Mr. Friess advised the parking areas belong to the county. Ms. Lawson advised not all of it but the city is negotiating with the county to see if some kind of arrangement can be worked out to move some of the people who park in the county lot and in the downtown in order to help the businesses downtown. Mr. Friess stated good luck working with the county. Ms. Lawson advised the city has had some pretty good negotiations, which the city hopes it can complete. Mr. Friess advised the county should take care of their own parking lots.

Pat Knisley asked how the city would capture the money for the area the city is talking about. Ms. Lawson advised when the DDA was first established in 1990, everyone had a SEV, which became locked in. The state has advised the DDA can take any increase in tax money from the county, school, city, etc. and use it to try to develop and enhance the downtown. Ms. Knisley asked if the DDA would use her money instead of someone who is not in the area. Mr. Lawson advised yes. Ms. Knisley stated she did not think that was

fair. Ms. Lawson advised this is the only way the state will let the DDA do this. Ms. Knisley stated she does not want to pay money that nobody else has to pay. Ms. Lawson stated the DDA is a fortunate tool for the city because it allows the DDA to utilize school taxes and county taxes that it would not ordinarily get to help the downtown. Ms. Knisley advised her taxes went up \$200 in the summer and winter. Ms. Lawson advised part of the summer tax increase was the state education tax that went up from five to six mills this year and the winter bill will have a slight decrease but this is regulated by the state, which the city had no control over. Ms. Knisley asked if everyone's taxes went up that much. Ms. Lawson advised everyone received the same percentage of increase and the millage is spread out to everyone the same. Ms. Knisley advised that was a lot of money for people on social security. She asked if the DDA was planning to buy people's homes in the area. Ms. Lawson advised there has been discussion with Mrs. Yott about the possibility of purchasing her property because of the new library and possible parking there. Ms. Knisley asked if there was a possibility that the DDA would be interested in buying her home. Ms. Lawson advised not at this time but the DDA has the ability to purchase property.

Arnold Dunchock asked what the percentage of county development or expansion was and if this was a coordinated effort. Ms. Lawson advised part of this is a coordinated effort but the main concern is the development and promotion of the city's downtown and this is what the DDA is for. There is a lot of county property in the city and people park in areas that do not make it effective for the downtown. She further advised the city is trying to work with the county to get people off the main drag and back in other parking areas.

Tim Jager, 600 W. Corunna Avenue, advised he had a legal opinion dated March 12, 1984 from Attorney General Frank Kelly on a similar issue as this and read the question that needed an answer which was "may a unit of government attach to a downtown development district an unimproved and unrelated parcel of land, where the latter is not contiguous to the downtown business district which does qualify for redevelopment under 1975 PA 197, by connecting the unimproved parcel to a strip of land which joins the said downtown business district, for the primary purpose of redevelopment of this unimproved land"? He further advised since the DDA zone has to be continuous, the question was if the DDA could go through residential property to get to this and the legal opinion states there is nothing in 1975 PA 197 to even suggest that it was the intent of the legislature to include residential property within a downtown development district in order to serve as a corridor to reach other property upon which certain business development may be desirable and subject the owners of the residential property to be taxed for the purposes of the authority. He also advised in his case, his house is not required to be contiguous to make this a part of the downtown business area and the explanation he received was the DDA was just interested in the tax funding. Mr. Jager stated he is being exposed to a potential two-mill tax at a future date when he is zoned residential and this is being done to capture and shift funds around but it opens up quite a liability to the property owners who are six blocks from downtown. Mayor Corey stated he thought the DDA expansion plan was not taking any residential property. Mr. Jager advised he got a letter. Ms. Lawson advised this would also affect Edythe Reineke. She further advised she was familiar with what Mr. Jager was talking about and there have been court cases both ways on this issue. Not too

long in the future, M-71 from the stoplight going east will be on MDOT's list for upgrading and when this does happen, the DDA can participate in some of the beautification, etc. that will go along that corridor. Mr. Jager stated the two parcels are not required for this project. Ms. Lawson advised the two parcels are not crucial in this plan at all. Mr. Jager stated he did not have any objections to any incremental funding but it was the potential liability. Ms. Lawson stated it was not the intent to take any more funding away from the city but allow the DDA to spend any money it might capture. Mr. Jager advised he has been in his house for 18 years and the chance for that going on the market and getting captured in the mid-term is very slim. Ms. Lawson advised a municipality has the right to levy two mills and there have been some questions about Headlee because Headlee states additional millage cannot be levied on the people without a vote of the people. The DDA act states a governing body or municipality shall be able to levy up to two mills but it is not the intent any shape or form of the DDA to do this. Mr. Jager stated the intent of the DDA could change. He further stated he would like his property removed from this plan. Mr. Sawyer advised the intent of the DDA during the strategic planning sessions was to make an attempt to connect the downtown to the park and for the potential of any streetscape enhancement down Corunna Avenue. He further advised these two parcels were included because the historical village was included and the DDA was just squaring the boundaries. He does not see any reason not to exclude the parcels if that is the wish of the two property owners. Councilperson Johnson stated she saw Mr. Jager's and Mrs. Reineke's thoughts on this and agreed the two parcels should be excluded.

Edythe Reineke, 570 W. Corunna Avenue, stated she read the letter she received and came down to city hall to ask for a copy of the city ordinance that created the downtown development authority, which was not terribly lengthy. She read section seven, which lists the power of the authority and states "the authority shall possess all of the powers necessary to carry out the purpose of its incorporation and shall have all of the powers provided by Act 197." She further stated there is a section that talks about the proposed construction, renovation, repair, remodeling, rehabilitation, restoration, preservation, or reconstruction of a public facility and existing buildings that may be necessary or appropriate for the execution of a plan based on the economic growth in the downtown district. She asked who would pay for any renovation, repairs, remodeling, preservation or reconstruction if the DDA comes along and tells her that her property needs to be renovated, repaired, remodeled, preserved or reconstructed. Ms. Lawson advised the DDA cannot spend any money on anything other than what is publicly owned or it owns. Ms. Reineke stated if the DDA does not like something she is building then it would be up to her to fix it. She further stated Gaylord, Michigan tells people what they can do and if someone does not look Alpine then that person is in big trouble. That is why she can see that this is possible here and they probably have a DDA too. Ms. Reineke advised the DDA can also take steps necessary to persuade property owners to implement the plan to the fullest extent possible and they can acquire property by purchase or by other terms and conditions the authority deems proper if the authority determines it is reasonably necessary to achieve the purposes of the act. Until now, the property owner has had the right of refusal but if the owner does not want to sell, the authority can by whatever means it deems necessary and by terms they deem proper take over the property. She further advised it sounds like the DDA can take someone over. She also advised the DDA has the

ability to take private property for the purpose of transfer to the authority for use in an improved development on terms and conditions it deems appropriate, which sounds more Russian than American. Ms. Reineke informed the council that she wanted to opt out of the plan for obvious reasons. She saw no reason why she should be included and felt sorry for the people who do not have the option she has. Mehigh moved, Sanderson seconded to leave the public hearing and return to regular session.

Roll call vote:

Yes: Mehigh, Spring, Runyan, Johnson, Sanderson, Wagner.

No: None.

Motion CARRIED Time was 7:40 p.m.

Mayor Corey advised there have been comments from individuals who do not wish their residences to be part of the DDA expansion. Mr. Sawyer asked Ms. Lawson if she had the property numbers of the two residences. Ms. Lawson advised 026-50-025-000 and 026-50-026-000. Wagner moved, Mehigh seconded to approve Resolution No. 100404-01 amending the DDA boundaries with the addition of the exclusion of property number 026-50-025-000 minus the right-of-way on Corunna Avenue and property number 026-50-026-000 minus the right-of-way on Corunna Avenue and instruct the assessor/planner to draw up a legal description to match.

Roll call vote

Yes: Johnson, Sanderson, Wagner, Mehigh, Runyan, Spring.

No: None.

Motion CARRIED

CONSIDER TRAFFIC CONTROL ORDER #211, NO STOPPING, STANDING OR PARKING DURING SCHOOL HOURS ON THE SOUTH SIDE OF EAST KING STREET

BETWEEN COMSTOCK AND MCDONNELL: Mehigh moved, Johnson seconded to approve Traffic Control Order #211, No Stopping, Standing, or Parking during school hours on the south side of East King Street between Comstock and McDonnell.

Roll call vote:

Yes: Spring, Runyan, Mehigh, Wagner, Johnson, Sanderson.

No: None.

Motion CARRIED

CONSIDER RESCINDING TRAFFIC CONTROL ORDER #86: Wagner moved, Johnson seconded to rescind Traffic Control Order #86.

Roll call vote:

Yes: Runyan, Wagner, Spring, Sanderson, Mehigh, Johnson.

No: None.

Motion CARRIED

CONSIDER APPOINTMENT OF JOHN DINGENS TO THE CORUNNA PLANNING

COMMISSION: Johnson moved, Wagner seconded to appoint John Dings to the Corunna Planning Commission to serve at the pleasure of the council for a term to begin upon the taking of the oath of office and continuing until December 31, 2006 or until a successor is appointed.

Roll call vote:

Yes: Sanderson, Mehigh, Johnson, Spring, Wagner, Runyan.

No: None.

Motion CARRIED

CONSIDER RESIGNATION OF JANEENE CENKUSH FROM THE CORUNNA ZONING

BOARD OF APPEALS: Johnson moved, Sanderson seconded to accept the resignation of Janeene Cenkush from the Corunna Zoning Board of Appeals effective immediately with regret.

Roll call vote:

Yes: Mehigh, Spring, Runyan, Johnson, Sanderson, Wagner.

No: None.

Motion CARRIED

CONSIDER STORM SEWER IMPROVEMENT ON THE WEST SIDE OF NORTH

SHIAWASSEE STREET BETWEEN OAK STREET AND FERRY STREET: Mr.

Sawyer explained Sumbera Excavating has been doing work for Riverview Dental who just recently replaced their entire sanitary sewer and water lines and made parking lot improvements. There is a storm sewer catch basin in the parking lot that goes nowhere and was never tied into the city's storm sewer system. He further explained the city has some storm water problems in that area because there is no catch basin at Oak Street, which collects water and causes ice buildups on the sidewalk so this is an opportunity for the city to be able to tie into the infrastructure in the future. The total cost of the project is \$4,000 and Riverview Dental is willing to split the cost with the city. Runyan moved, Wagner seconded to approve the North Shiawassee storm sewer proposal from Sumbera Excavating in the amount of \$2,000 to be paid for from line item number 101-441-807.000 (Public Works Storm System Maintenance) with Riverview Dental paying the additional \$2,000 for the project for a total of \$4,000.

Roll call vote:

Yes: Johnson, Sanderson, Wagner, Mehigh, Runyan, Spring.

No: None.

Motion CARRIED

CONSIDER PARKS AND RECREATION COMMISSION REQUEST TO PAVE THE CIRCLE DRIVE EAST OF THE COMMUNITY CENTER AND ADD A HANDICAP PARKING

SPACE: Mr. Sawyer stated the Parks and Recreation Commission holds a continuous pancake breakfast fundraiser throughout the year, which raises \$1,500 a year. The Parks and Recreation Commission have requested this improvement be done in recognition of its fundraising efforts. He further stated no proposals have been solicited at this time and since the construction season is running short, the project would be done in the spring. It is his recommendation to get proposals to try to find out what the exact price would be. Johnson moved, Sanderson seconded to request that the Parks and Recreation Director solicit proposals for the community center drive and handicap parking improvement as requested by the Parks and Recreation Commission.

Roll call vote:

Yes: Wagner, Johnson, Sanderson, Runyan, Spring, Mehigh.

No: None.

Motion CARRIED

CONSIDER THE REZONING OF 317 MCDONNELL STREET FROM RESIDENTIAL

OFFICE TO COMMERCIAL-2: Ms. Lawson advised Sharon and Charles Butcher own the parcel that is on the corner of McDonnell and McNeil Street and plan to open a Shape Up exercise business there. The current future land use map shows that corridor as commercial but it actually has residential office zoning so the city can accommodate both the residential and commercial people along that corridor. She further advised the planning commission has reviewed their site plan and has approved their request but the Butcher's need the C-2 zoning to open their doors so the city council is being asked to rezone the property from R-O to C-2. Wagner moved, Johnson seconded to approve the rezoning of 317 McDonnell Street from Residential Office to Commercial-2 as recommended by the planning commission.

Roll call vote:

Yes: Spring, Runyan, Mehigh, Wagner, Johnson, Sanderson.

No: None.

Motion CARRIED

MOVE TO APPROVE THE LOT SPLIT AT 527 CONVERSE STREET KNOWN AS PARCEL

#2: Ms. Lawson explained a survey was done on the property which found that the house and garage on the west side of the property encroaches the next door neighbor's property. The planning commission has recommended that the lot split be done. She further explained after looking at the house encroachment she also realized that five feet in front of the house encroaches the street right-of-way so she has drafted an encroachment easement for the property, which recognizes that an encroachment exists. Mehigh moved, Sanderson seconded to approve the lot split at 527 Converse Street, Parcel #2, as recommended by the planning commission.

Roll call vote:

Yes: Sanderson, Mehigh, Johnson, Spring, Wagner, Runyan.

No: None.

Motion CARRIED

MOVE TO APPROVE AN ENCROACHMENT EASEMENT FOR 523 CONVERSE STREET:

Wagner moved, Johnson seconded to approve Resolution #100404-02, Resolution granting continuance of existing encroachment by the City of Corunna, in regard to property located at 523 Converse Street.

Roll call vote:

Yes: Mehigh, Spring, Runyan, Johnson, Sanderson, Wagner.

No: None.

Motion CARRIED

HISTORICAL VILLAGE PARKING: Judy Horton stated the historical commission wants to move the parking area for the Kribs' house and line the parking lot with the same type of brick that was placed in the park. Access to this parking lot would be from Corunna Avenue. The commission plans to develop the parking area currently in front of the Kribs' house for weddings and some of the other things the historical village does. Councilperson Mehig asked if there was a driveway going to Corunna Avenue now. Ms. Horton advised she thought there was a little lip at the end of the street. Mayor Corey advised there is no curb there. Ms. Horton advised no so a curb cut is not needed. Mayor Corey asked if there was a question on whether the area is part of the historical village or part of the park. Ms. Lawson advised when she was president of the historical commission, there were no exact boundaries defined for the village so she and Norm Caldwell did a legal description for the property and all of the two "L's" going back to the row of pine trees are the actual boundaries of the historical village, which were designated by a former council. Mayor Corey asked why council approval was needed since this area is part of the historical village. Mr. Sawyer advised it would not need approval. Ms. Lawson advised she did not know the group was coming before the council or she would have informed them. She further advised since the historical commission is talking about putting parking in one of the asphalt channels going out to M-71, she needs to see if this would fall within the planning commission guidelines. She also advised MDOT is another whole ballgame and Ms. Horton is aware that she will have to work with the road commission because the city has no say about M-71. The first plan of attack would be to contact MDOT to make sure the commission has the right to go in and out of that area. Councilperson Spring asked if there were any designs set about how the parking would be set down there. Ms. Lawson advised no. Councilperson Sanderson asked if the parking lot would be strictly for the historical village and if the area could be used as an overflow area for any activities in the park. Ms. Horton advised yes. Councilperson Runyan asked if a site plan was needed. Ms. Lawson advised she would have to research this because the city has a lot of latitude since this is city property but she wants to see what the ordinance calls for and to make sure it is being done to the requirements.

CONSIDER BUY/SELL AGREEMENT WITH DUX BOAT COMPANY: Mr. Sawyer gave a brief history of the Strawsine Industrial Complex to the newer council members and the residents. He advised the building was given to the city in December and the city has provided assistance to Davis Cartage in their need for storage space. The lease will continue and will be assumed as part of the buy/sell agreement. He further advised the city has also helped an Owosso business move to Corunna, which has a five-year lease agreement and this will also be assumed as part of the purchase agreement. He also advised the council committed \$60,000 for the building and \$30,000 of that amount was for acquisition costs, which included a title search, environmental audit, legal fees, insurances and property taxes. He has heard that the city got the building for back taxes but there were no back taxes owing but the city agreed to pay the next tax bill. Mr. Sawyer stated the property has been off the tax rolls for only one year. There has been \$130,000 worth of improvements made to the building, which were done with the rental payments from Davis Cartage and North American Air and there has been no additional general fund support or contribution. He further stated the building was given to the city for industrial development purposes and a copy of the buy/sell agreement has been dropped off to Dick

Burlingame and Chicago Title for review. Mr. Sawyer reviewed the terms of the buy/sell agreement and read the cover letter from Tom Chaffee who is the owner of Dux Boats. The city is being asked to be the mortgage holder and allow installment payments on the purchase, the offering price is \$750,000 with a six percent fixed interest rate for the first two and one-half years and, after that point, the interest rate would float one and one-half percent over prime, payments over a 10-year amortization period would be \$8,327 per month, the property will be accepted as is, the city will pay the closing fees, and the closing has been requested as soon as possible. Mr. Sawyer advised this was a no money down deal and Mr. Chaffee has asked for this financing so he can put his equity cash investments into machinery and hire employees. Once the closing goes through, he would start hiring immediately and has immediate need for some clerical support but would be hiring some work crews in the future. He further advised Mr. Chaffee is asking for some concessions because he recognizes he has to put a great deal of improvements into the physical structure primarily in the ventilation, heating and air conditioning area. Mr. Sawyer also advised Mr. Chaffee has asked for deferred payments until March 1 and his recommendation would be to counter with some requirements within the agreement for the improvements because right now the improvements are strictly verbal. Within 90 days, a minimum of \$45,000 will be spent on ventilation improvements and \$15,000 will be spent on the façade facing Shiawassee Street. Councilperson Mehigh asked if action was needed tonight. Mr. Sawyer advised yes with contingencies because Mr. Chaffee is sitting on a lot of equipment and is ready to hire and he wants to know if this is going to move forward. Councilperson Runyan asked if the company would use the river to show the company's product since this company is making contracts with different marine organizations. Mr. Sawyer advised the Shiawassee River and the parks have a great appeal to Dux Boats and they believe the river is adequate for testing boats. Councilperson Sanderson asked if the buy/sell agreement includes the entire property. Mr. Sawyer advised yes. Councilperson Spring stated it was mentioned that 100 jobs would be brought into the area and asked if Mr. Chaffee was waiting on the city to get the agreement done as soon as possible so he start hiring. Mr. Sawyer advised Mr. Chaffee is ready to expand employment immediately and if things go well with his contracts as he suspects, he is projecting that 100 jobs will be brought in over the next year or 18 months. Mr. Chaffee has produced 800 boats a year and he is in negotiation with Yamaha, Evinrude, and Mercury for 20,000 to 30,000 orders. Councilperson Spring asked if Mr. Chaffee would have the ability to expand his business if he gets 40,000 orders and how much of the building would be used. Mr. Sawyer advised the building has 120,000 square feet and half of the facility is under lease agreements. Councilperson Sanderson asked if Mr. Chaffee has indicated what kind of wages he would be paying. Ms. Lawson advised Mr. Chaffee is waiting for his contracts and he does not pay low scale or high scale but is somewhere in the middle, but the wages are not minimum wage. Councilperson Sanderson stated the council discussed that it did not want a minimum wage factory. Mayor Corey asked if the purchase agreement had any requirements for insurance on the building. Mr. Sawyer advised that would be enclosed within the mortgage document. Mayor Corey stated it would be a good idea to require a 90-day timeframe for the \$60,000 worth of improvements and something should be included that the seller has the right to inspect the premises during the term of the mortgage. Councilperson Runyan asked if there would be a penalty if the mortgage is paid off early. Mr. Sawyer advised no but there would be interest provisions if there is any kind

of default. Mayor Corey asked if there was anything in the document about the city having the right to sell the mortgage. Mr. Sawyer advised no but there is nothing that excludes the city's right to sell the mortgage and that is part of the reason for the recommendation that a due on sale clause be included in the document. He further advised the purpose of the gift was for industrial development, which includes any proceeds for the eventual sale of the building and the intended use of any proceeds consistent with the gift of the building is for industrial development on Parmenter Road. Councilperson Mehigh stated he spoke to one of the employees and was told by the employee that he could not think of a nicer area to move to and he knew his family would be happy here. He was also told that the city officials have been fantastic to work with. Councilperson Runyan asked if any additions or modifications have to go to the planning commission. Mr. Sawyer advised absolutely. He further advised since this was not an advertised agenda item, he was curious if there were any public comments or issues that the public might have. Mayor Corey asked if anyone in the audience had anything to say or comment on regarding the sale. Al Fowler asked if the owner would ask for a tax abatement right away. Mr. Sawyer advised there is nothing available for the building itself because it is an existing building. He was sure Mr. Chaffee would apply for an abatement when he purchases new equipment or machinery or if he was to put an addition onto the building that is currently in place. Mr. Sawyer further advised no abatements have been pre-approved or pre-arranged and any abatements would have to follow the guidelines and come back to the council. Mr. Fowler advised when the factory north of town changed hands, the council allowed the tax abatements to continue with the new owner. Ms. Lawson advised when a new company comes in and takes over an existing company, the council has the right to transfer the abatement to the new company. Bob Gilman stated he was glad to hear that the city was planning to use the money to develop the industrial park and he was in favor of the industrial park, but he was not in favor of using his tax dollars for it. Wagner moved, Mehigh seconded to approve the buy/sell agreement with P.T.L. Property Management subject to keeping the due on sale clause, subject to the city attorney's approval of the paperwork, subject to verifiable expenses of \$60,000 within a 90 day period from closing including HVAC and the west façade, and the mortgage document should include the city's right to inspect the premises during the term of the mortgage.

Roll call vote:

Yes: Johnson, Sanderson, Wagner, Mehigh, Runyan, Spring.

No: None.

Motion CARRIED

CALL TO AUDIENCE: Mary Dumond stated she wanted to thank Mr. Sawyer because he has spent an awful lot of time and hours on getting this business in Corunna and she commended him very highly.

Larry Friess asked what control order 86 was because he noticed it was not announced during the meeting. Mayor Corey advised it rescinded no stopping, standing or parking north and south side of East King Street from Comstock Street to east drive of middle school and high school and north side of King Street west from Comstock Street. Mr. Friess stated he just wondered what it was. He further stated he likes how the parking has been marked in the park but asked if people would get a ticket for parking on the grass if

all of the spots are filled or has the city suspended that. Chief Hetfield advised the police department asks the people to move their cars if the people are in the vicinity. If not, the cars are ticketed. Mayor Corey advised the police department cannot be everywhere at one time. Mr. Friess stated he is not blaming the police officers because they have other things to do but his question was if the cars are ticketed. Mayor Corey advised yes. Mr. Friess advised if he sees cars on the grass, he will come back again. Mayor Corey advised he should notify the police department. Mr. Friess stated the city might not have a police department and asked who he was supposed to call; the sheriff. Mayor Corey advised the city will have a police department. Mr. Friess advised he wanted to congratulate this council. He has lived in this town for 45 years and this is the first time he has ever seen one councilmember stand up and another one sit down in the same night because of the way Mr. Spring was put on the council. He also advised he hopes Mr. Spring does a good job and does not let anyone tell him what to do. Mr. Friess stated the first time he sat on the council he had to send in a resume, talk to the council and was appointed at the following meeting. It did not happen all in one night. He further stated there was nothing in the paper that the other gal resigned. He also stated the council brought the city out of the dark ages to get it done that quickly. Mayor Corey advised the council was thankful that he showed up because he did not think anyone on the council knew Mr. Spring was going to be at the meeting and he did not even know him. Mr. Friess asked why the council picked him so quick. Mayor Corey advised he was there. Councilperson Spring advised he was that good.

Mr. Runyan asked what would have to be done to get the garbage fee rescinded. Mayor Corey advised council would have to review the fee schedule and a motion would have to be made by the council.

A member of the audience asked how much the city is charging the garbage trucks. Mr. Sawyer advised \$250 for less than one-ton trucks and \$500 for over one-ton trucks. The audience member stated so if a truck has five axels or 10 axels it costs the same and advised it was very smart.

Ms. Cope stated she wanted to go back to the police chief and the charter. The mayor advised the charter states that the department will be run by a police chief. Mayor Corey advised he believed that was what it stated but he did not have the document in front of him. Ms. Cope advised a gentleman up front asked if the charter stated part-time or full-time and was told it was not stated in the charter. She informed the council they should go back and verify or rewrite the charter so it is more specific. Mayor Corey stated he did not think the charter needed to be more specific.

ROUNDTABLE DISCUSSION: Councilperson Mehigh stated he had nothing to discuss.

Councilperson Spring stated he had nothing to discuss.

Councilperson Runyan stated he had nothing to discuss.

Councilperson Johnson stated when council first started the budget workshop, there was talk about what the council could do and ideas were thrown out but there was nothing in stone. She did not realize what was going on until she received a phone call and the papers the city sent the following day. She further stated she was not going to sit here and hide that it was not talked about because it was. She also stated there was discussion in April and it was brought out in public again with the budget and she voted no on the budget.

Mayor Corey advised he found the answer to the question about the police chief in the charter. Section 4.6 of the city charter states “there shall be within the administrative service of the city a city manager, clerk, treasurer, assessor, building inspector, attorney, chief of police, fire chief, superintendent of public works, members of the cemetery board, library board, zoning board of appeals, planning commission, and such additional administrative officers that may be created by ordinance.” Ms. Cope stated the charter does not say part-time or full-time. Mayor Corey advised the charter states exactly what he read.

Councilperson Wagner stated he had nothing to discuss.

Councilperson Sanderson stated he went to the conference up north and it was very productive for all of the people that went. He further stated he wanted to personally congratulate Mr. Sawyer on the outstanding job he did on the sale of the Strawsine building. He put in a lot of long and hard hours and he was very proud of the job that he did. Mr. Sawyer advised he had a lot of help from the entire staff. The Strawsine building has been a lot of work and burden to everyone.

ADJOURN: Runyan moved, Wagner seconded to adjourn.

Roll call vote:

Yes: Wagner, Johnson, Sanderson, Runyan, Spring, Mehigh.

No: None.

Motion CARRIED Time was 9:21 p.m.

STEVE COREY, MAYOR

YVONNE F. LONG, CITY CLERK